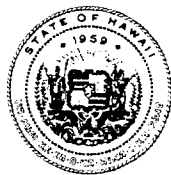


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STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
AND GENERAL SERVICES

P. O. BOX 119  
HONOLULU, HAWAII 96810-0119

RAYMOND H. SATO

COMPTROLLER

MARY PATRICIA WATERHOUSE  
DEPUTY COMPTROLLER

FEB 1 1999

COMPTROLLER'S MEMORANDUM NO. 1999-1

TO: Heads of Departments and Agencies

ATTN: Fiscal Offices

SUBJECT: 1999 Standard Mileage Rate Announced by Internal Revenue Service (IRS)

The Internal Revenue Service has announced in Rev. Proc. 98-63 the standard mileage rate to be used in computing the value of the business use of an automobile for 1999. The rate for 1999 has decreased from 32.5 cents per mile to 31 cents per mile.

Implementation of the new rate has been postponed to April 1, 1999 as announced in IRS Announcement 99-7 dated January 11, 1999. According to the announcement, the delayed effective date will allow employers additional time to implement the new rate. Therefore, the business standard mileage rate of 32.5 cents will apply to mileage allowances paid to an employee prior to April 1, 1999.

Please forward this information to offices in your department responsible for computing the taxable portion of mileage reimbursements to your employees.

  
RAYMOND H. SATO  
State Comptroller